



January 28, 2016

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House Human Services and Housing Committee Administrator
900 Court St. NE,
Salem Oregon 97301

Dear Chair Keny-Guyer and members of the House Housing & Human Services Committee;

As the Homeowner Services Manager for Bend Area Habitat for Humanity, I talk with families on a daily basis who are struggling to find stable housing. We have hard-working, qualified applicants that we have to turn away due to limited funding resources, even though our volunteers and staff are ready to build. In order to serve more families, more quickly, in Bend and Prineville, I believe that **supporting Habitat for Humanity of Oregon's Mortgage Asset Leveraging Program would allow us the immediate capacity to serve more families.**

Eight other states have already established mortgage asset leveraging programs. Habitat Oregon's goal is to create a fund that will enable affiliates across the state to leverage 92% of a newly built home's mortgage principal on the day of closing. These funds will immediately increase the affiliate's homebuilding capacity with the construction of additional homes and purchase of land for future builds. Repayment of the leveraged mortgages will result in a revolving fund that will continue to provide affiliates with the much needed capital.

During the interim session, Habitat Oregon will not be seeking any funding for this program. However, **the bill (HB 4064) sponsored by Rep. Witt will establish the statewide mortgage leveraging program structure—to prepare for a seed funding request during the 2017 session.** Habitat for Humanity of Oregon (HFHO) anticipates directly administering this program to the 30 Oregon Habitat affiliates (such as Bend Area Habitat). HFHO will be reporting on this program annually to OHCS. \$20 million is needed to fully fund this program, which will allocate \$1.5 - \$2 million annually to leverage mortgages. Funds will likely be a combination of private and public sources.

To expand statewide homebuilding capacity at the earliest possible opportunity, Habitat for Humanity of Oregon will seek private investment in the mortgage leveraging fund. Once funds are received, they will begin implementing this program—to help meet the urgent need for stable and affordable housing throughout the state.

Please consider supporting this effort.

Respectfully,

DeeDee Johnson
Homeowner Services Manager
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Other Considerations to Support More Affordable Housing

- Overturn the ban on Oregon’s statewide inclusionary zoning (the prohibition that prevents local governing bodies from requiring builders to include a certain number of affordable units in their development proposals)
- Allowing builders to add an additional above-code floor to projects if they include affordable units
- Waiving certain project fees in exchange for inclusion of affordable units
- Helping builders identify sources of subsidies in exchange for inclusion of affordable units
- Rewriting urban zoning codes to allow more multifamily, mixed-use and high-density projects
- Offer property tax abatement for projects that include affordable units
- Offer direct subsidies and incentives that builders can include in development proposals
- Create more multifamily zoning districts so that builders can increase density and number of units
- Create a seed fund with so-called linkage fees charged against Airbnb owners and new businesses that employ mostly low-wage workers. With those revenue streams in place, the city can float bonds to inject more dollars into the fund. That money would be used to subsidize projects dedicated to affordable housing.